



**Capcom Co., Ltd.**  
**(Tokyo Stock Exchange,**  
**First Section, 9697)**

**1st Quarter Report**  
**Fiscal year ending March 31, 2022**

## ■ Regarding Q1 Results

- **Digital sales, including major new title, contributed to YoY sales and profit growth**
- **Followed regulatory directives to temporarily close stores in our Arcade Operations business to minimize the impact of COVID-19**

## ■ Regarding Full-Year Business Plan

- **Solid first quarter performance**
- **No changes to full-year plan at this time**

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## Forward-looking Statements

Strategies, plans, outlooks and other statements that are not historical facts are based on assumptions that use information currently available and reasonable judgments. Actual performance may be significantly different from these statements for a number of reasons.

In the entertainment industry, which includes Capcom, performance may be highly volatile because of diverging user needs and other changes in market conditions.

Factors that can affect Capcom's performance include: (1) the number of hit titles and sales volume in the Home Video Game Business, which accounts for the majority of sales; (2) progress in developing home video games; (3) consumer demand for home video game consoles; (4) sales outside Japan; (5) changes in stock prices and exchange rates; (6) alliances with other companies concerning product development, sales and other operations; and (7) changes in market conditions; (8) natural disasters, disease outbreaks, economic crises and other unforeseeable events. Please note that this is not a complete list of factors that can influence Capcom's operating results.

# 1. Forecasts for FY3/22

**Aiming for nine consecutive years of OP growth and highest profit in company history, driven by Digital Contents business**

(million yen)

	2021/3	2022/3 Plan	Difference
<b>Net sales</b>	<b>95,308</b>	<b>100,000</b>	<b>4,692</b>
<b>Operating income</b>	<b>34,596</b>	<b>42,000</b>	<b>7,404</b>
<b>Operating margin</b>	<b>36.3%</b>	<b>42.0%</b>	<b>-</b>
<b>Ordinary income</b>	<b>34,845</b>	<b>42,000</b>	<b>7,155</b>
<b>Net income attributable to owners of the parent</b>	<b>24,923</b>	<b>30,000</b>	<b>5,077</b>

\*No changes to the full-year forecast announced on May 10, 2021.

- Earnings per share forecast: ¥140.52
- Dividend forecast: interim dividend of ¥18 and year-end dividend of ¥18 resulting in a ¥36 dividend for the fiscal year

\*With an effective date of April 1, 2021, Capcom performed a 2-for-1 stock split of its common stock.

## 2-1. Q1 Financial Highlights – Consolidated Business Results (1)

### ■ 3 Months Results in FY6/20 vs. FY6/21

(million yen)

	2020/6	2021/6	Difference
<b>Net sales</b>	<b>23,722</b>	<b>48,423</b>	<b>24,701</b>
<b>Operating income</b>	<b>10,711</b>	<b>23,604</b>	<b>12,893</b>
<b>Ordinary income</b>	<b>10,619</b>	<b>23,899</b>	<b>13,280</b>
<b>Net income attributable to owners of the parent</b>	<b>7,815</b>	<b>17,340</b>	<b>9,525</b>

- Sales and profit up year-over-year due primarily to contributions from Consumer digital sales
- Foreign exchange gain of ¥151 million

## 2-1. Q1 Financial Highlights – Consolidated Business Results (2)

### ■ FY6/21 Net Sales/Operating Income (by segment)

(million yen)

	2020/6	2021/6	Difference	2022/3 Plan
<b>Net sales</b>	<b>23,722</b>	<b>48,423</b>	<b>24,701</b>	<b>100,000</b>
<b>Digital Contents</b>	<b>21,476</b>	<b>43,918</b>	<b>22,442</b>	<b>77,800</b>
<b>Arcade Operations</b>	<b>1,184</b>	<b>2,389</b>	<b>1,205</b>	<b>13,000</b>
<b>Amusement Equipments</b>	<b>181</b>	<b>1,282</b>	<b>1,101</b>	<b>5,500</b>
<b>Other Businesses</b>	<b>879</b>	<b>832</b>	<b>-47</b>	<b>3,700</b>
<b>Operating income</b>	<b>10,711</b>	<b>23,604</b>	<b>12,893</b>	<b>42,000</b>
<b>Digital Contents</b>	<b>11,804</b>	<b>24,455</b>	<b>12,651</b>	<b>44,800</b>
<b>Arcade Operations</b>	<b>-554</b>	<b>-63</b>	<b>491</b>	<b>700</b>
<b>Amusement Equipments</b>	<b>71</b>	<b>243</b>	<b>172</b>	<b>2,000</b>
<b>Other Businesses</b>	<b>511</b>	<b>482</b>	<b>-29</b>	<b>1,000</b>
<b>Adjustments*</b>	<b>-1,120</b>	<b>-1,512</b>	<b>-392</b>	<b>-6,500</b>

\*Adjustments include unallocated corporate operating expenses. The corporate operating expenses, which do not belong to any reportable segment, mainly consist of administrative expenses.

## 2-2. Q1 Financial Highlights – Financial Position

### ■ FY6/21 Balance Sheet/Statement of Cashflows (Summary)

Balance Sheet		(million yen)	
Assets	2021/3	2021/6	Difference
<b>Current Assets</b>	127,391	137,939	10,548
Cash on hand and in banks	71,239	98,619	27,380
Notes and accounts receivable - trade	25,096	14,409	-10,687
Work in progress for game software	24,443	19,420	-5,023
Other	6,613	5,491	-1,122
<b>Fixed Assets</b>	36,321	35,906	-415
<b>Total assets</b>	163,712	173,846	10,134
<b>Liabilities</b>			
<b>Current Liabilities</b>	32,590	30,128	-2,462
Notes and accounts payable - trade	3,702	2,899	-803
Electronically recorded monetary liabilities	6,673	8,160	1,487
Deferred income	22,215	19,069	-3,146
Other	10,327	10,414	87
<b>Long-term liabilities</b>	10,327	10,414	87
<b>Total liabilities</b>	42,918	40,542	-2,376
<b>Net Assets</b>			
<b>Shareholders' equity</b>	120,967	133,396	12,429
<b>Other</b>	-173	-92	81
<b>Total net assets</b>	120,794	133,303	12,509
<b>Total liabilities and net assets</b>	163,712	173,846	10,134

Statement of Cashflows		(million yen)	
	2020/6	2021/6	Difference
<b>Cash flows from operating activities</b>	8,041	34,300	26,259
Net income before income taxes	10,618	23,898	13,280
Change in work in progress for game software	-536	5,023	5,559
<b>Cash flows from investing activities</b>	-2,074	-2,067	7
<b>Cash flows from financing activities</b>	-2,949	-5,027	-2,078
<b>Effect of exchange rate changes on cash and cash equivalents</b>	-38	182	220
<b>Net change in cash and cash equivalents</b>	2,979	27,388	24,409
<b>Cash and cash equivalents at beginning of year</b>	59,672	64,043	4,371
<b>Cash and cash equivalents at end of quarter</b>	62,652	91,431	28,779

## 3-1. Business Segments – Digital Contents (1)

**Sales and profit up primarily due to digital sales  
and major new Consumer title**

### ■ Digital Contents Performance

(100 million yen)

	2019/6	2020/6	2021/6	2022/3 Plan
<b>Net sales</b>	<b>139</b>	<b>214</b>	<b>439</b>	<b>778</b>
<b>Breakdown</b>				
Package	33	60	184	218
Digital (incl. digital license)	101	143	246	515
Digital license portion		0	5	5
Consumer total	134	203	430	733
Deffered revenue portion			-5	
Mobile Contents	5	11	9	45
<b>Operating income</b>	<b>77</b>	<b>118</b>	<b>244</b>	<b>448</b>
<b>Operating margin</b>	<b>55.3%</b>	<b>55.0%</b>	<b>55.7%</b>	<b>57.6%</b>

\*Digital license indicates one-time income from providing content etc. to online platforms

## 3-1. Business Segments – Digital Contents (2)

**Released globally popular major new title**  
**Both physical and digital sales volume increased**

### ■ Unit Sales for the 3 Months (Consumer)

(units in thousands)

	2019/6	2020/6	2021/6	2022/3 Plan
<b>New Titles (SKU)</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>13</b>
<b>Total unit sales</b>	<b>4,350</b>	<b>9,200</b>	<b>13,300</b>	<b>32,000</b>
Overseas units	<b>3,800</b>	<b>8,100</b>	<b>10,800</b>	<b>26,400</b>
Digital units	<b>3,200</b>	<b>7,350</b>	<b>9,100</b>	<b>26,500</b>
Catalog units	<b>3,900</b>	<b>6,600</b>	<b>8,800</b>	<b>23,900</b>
<b>Major titles</b>				
New	Dragon's Dogma: Dark Arisen (for Nintendo Switch)	Resident Evil 3	Resident Evil Village	Resident Evil Village Monster Hunter Stories 2: Wings of Ruin
Catalog	Monster Hunter: World Devil May Cry 5 Resident Evil 2	Monster Hunter World: Iceborne Resident Evil 2 Resident Evil 7 biohazard Monster Hunter: World	Monster Hunter Rise Resident Evil 7 biohazard Monster Hunter World: Iceborne Resident Evil 2 Resident Evil 3	Monster Hunter Rise Monster Hunter World: Iceborne Resident Evil 3 Resident Evil 2 Monster Hunter: World Resident Evil 7 biohazard

\*New titles: titles released in the current fiscal year; Catalog titles: titles released in the previous fiscal year or earlier

\*Includes distribution titles

- Overseas unit sales ratio: 81.2%; Total sales regions/countries: 199; Total content available: 299

## 3-1. Business Segments – Digital Contents (3)

**Focused on launch of major new title  
and catalog sales of major title released in previous fiscal year**

### ■ 3 Months Highlights (Consumer)

- *Resident Evil Village* exceeds cumulative 4.5 million units sold  
Launch of new title spurred sales growth for series overall
- FY20 title *Monster Hunter Rise* topped cumulative 7 million units sold
- *Monster Hunter Stories 2: Wings of Ruin* released July 9, shipped over 1 million units



*Resident Evil Village*

### ■ 3 Months Highlights (Mobile Contents)

- Alliance title *Devil May Cry: Peak of Combat* launched on June 11 in China
- Steady performance from *Street Fighter: Duel*



*Devil May Cry: Peak of Combat*

## 3-2. Business Segments – Arcade Operations

**Recovery seen in new and existing stores despite temporary suspension of store operations during COVID-19 pandemic**

### ■ 3 Months Business Results

(100 million yen)

	2019/6	2020/6	2021/6	2022/3 Plan
Net sales	27	11	23	130
Operating income	2	-5	-0	7
Operating margin	11.0%	-	-	5.4%
Same store sales	+13%	-63%	+114%	+23%

### ■ Number of Stores

(stores)

	2020/3	2021/3	2021/6	2022/3 Plan
New stores	3	1	1	3
Closed stores	0	0	1	1
Total	40	41	41	43

### ■ 3 Months Highlights

- Same store sales: +114%
- Opened Plaza Capcom MitteN Fuchu June 1; closed Toyota store in May
- Opened new Miraino Aeon Mall Hakusan store on July 19

## 3-3. Business Segments – Amusement Equipments

**Sales and profit up due to release of  
new machines designed to current regulations**

### ■ 3 Months Business Results

(100 million yen)

	2019/6	2020/6	2021/6	2022/3 Plan
Net sales	2	1	12	55
Operating income	1	0	2	20
Operating margin	59.1%	39.2%	19.0%	36.4%

### ■ 3 Months Highlights

- 6 thousand units sold

(No releases in the same period of the previous year)

New model *Hyakka Ryoran Samurai Girls* sold 4.5 thousand units  
after June launch

Catalog model *Resident Evil 7 biohazard* sold 1.5 thousand units



*Hyakka Ryoran Samurai Girls*  
pachislo machine

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## 3-4. Business Segments – Other Businesses

**Promoting Single Content Multiple Usage strategy  
in conjunction with game sales**

### ■ 3 Months Business Results

(100 million yen)

	2019/6	2020/6	2021/6	2022/3 Plan
<b>Net sales</b>	<b>10</b>	<b>8</b>	<b>8</b>	<b>37</b>
Character Contents		8	7	35
eSports		0	1	2
<b>Operating income</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>10</b>
Character Contents		6	5	19
eSports		-1	-1	-9
<b>Operating margin</b>	<b>62.4%</b>	<b>58.1%</b>	<b>57.9%</b>	<b>27.0%</b>

### ■ 3 Months Highlights

- CG drama *Resident Evil: Infinite Darkness* began streaming worldwide July 8 on Netflix
- Kicked off global, all-online CAPCOM Pro Tour Online 2021 esports tournament
- *Street Fighter V* tournament at Intel World Open began, with finals held in July



CG drama  
*Resident Evil: Infinite Darkness*

# 4-1. Supplement: Summary of Major Financial Information

## ● Profit and Loss Sheet

(million yen)

	2020/3	2021/3	2022/3 Plan	%	2021/6
Net Sales	81,591	95,308	100,000	104.9%	48,423
Gross Profit	40,947	52,741	62,000	117.6%	29,333
Margin (%)	50.2%	55.3%	62.0%	-	60.6%
Sales and G&A Expenses	18,119	18,145	20,000	110.2%	5,729
Operating Income	22,827	34,596	42,000	121.4%	23,604
Margin (%)	28.0%	36.3%	42.0%	-	48.7%
Ordinary Income	22,957	34,845	42,000	120.5%	23,899
Margin (%)	28.1%	36.6%	42.0%	-	49.4%
Net income attributable to owners of the parent	15,949	24,923	30,000	120.4%	17,340
Margin (%)	19.5%	26.1%	30.0%	-	35.8%

## ● Sales and Profit by Business Segments

(million yen)

		2020/3	2021/3	2022/3 Plan	%	2021/6
Digital Contents	Net Sales	59,942	75,300	77,800	103.3%	43,918
	Operating Income	24,161	37,002	44,800	121.1%	24,455
	Margin (%)	40.3%	49.1%	57.6%	-	55.7%
Arcade Operations	Net Sales	12,096	9,871	13,000	131.7%	2,389
	Operating Income	1,211	149	700	469.8%	-63
	Margin (%)	10.0%	1.5%	5.4%	-	-
Amusement Equipments	Net Sales	6,533	7,090	5,500	77.6%	1,282
	Operating Income	2,085	2,407	2,000	83.1%	243
	Margin (%)	31.9%	33.9%	36.4%	-	19.0%
Others	Net Sales	3,018	3,045	3,700	121.5%	832
	Operating Income	544	987	1,000	101.3%	482
	Margin (%)	18.0%	32.4%	27.0%	-	57.9%

## 4-2. Supplement: Our Major IP

Capcom owns a wealth of globally popular brands originating from its games

### ■ Cumulative Unit Sales and Examples of Brand Utilization

- **Resident Evil series: 117 million units**



*Resident Evil Village*  
sold 4.5 million units

- **Monster Hunter series: 75 million units**



*Monster Hunter Rise*  
tops cumulative 7 million units in sales

- **Devil May Cry series: 24 million units**



Launched new mobile title *Devil May Cry: Peak of Combat*

- **Street Fighter series: 46 million units**
- **Mega Man series: 37 million units**
- **Dead Rising series: 14 million units**